



CIS CORPORATION

February 13, 1986

Honorable James H. Bayne  
Secretary, Interstate Commerce Commission  
Washington, D.C. 20423

6-045A048

4902

RECORDATION NO. 1425

FEB 14 1986 - 12 45 PM

Dear Mr. Bayne:

INTERSTATE COMMERCE COMMISSION

On behalf of CIS Corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, five (5) enclosed executed counterparts of a primary document, not previously recorded, entitled Security Agreement (Lease Inventories) and Assignment of Lease, dated as of February 18, 1986.

The parties to the said enclosed document are:

CIS Corporation - Debtor  
909 Montgomery Street  
San Francisco, California 94133

Wells Fargo Bank, N.A. - Lender  
343 Sansome Street  
San Francisco, California 94163

The said document grants a security interest in the subject rolling stock to Wells Fargo Bank, N.A.

The rolling stock consists of forty (40) fully enclosed screened bi-level autoracks (listed in Schedule A attached hereto).

Enclosed is our check in the amount of ten dollars (\$10.00) in payment of the filing fee.

Once this filing has been made, please return to bearer four (4) stamped counterparts of the document not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Sincerely,

*Patricia L. Wilson*

Patricia L. Wilson  
Corporate Counsel

Enclosure  
PLW:sle

# SCHEDULE A

## EQUIPMENT DESCRIPTION

<u>Type</u>	<u>Builder</u>	<u>Builder's Specifications</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
Fully Enclosed Screened Bi-Level Autoracks Including Extending Radial End Doors	Thrall Car Manufacturing Company	Thrall Specifications and Drawings ASK-7865 Dated September 4, 1985		40	T-100 to T-139	\$27,844.95	\$1,113,798	February, 1986

**4. WARRANTIES OF DEBTOR.** Debtor represents and warrants that: (a) Bank shall have no obligation to perform any obligation of Debtor under the Leases; (b) Debtor owns the Collateral and has the right to grant to Bank a security interest in each item of Inventory and to assign to Bank each Lease and the rentals owing thereunder; (c) Debtor has made no other assignment of any of the Collateral; (d) each Lease is a valid, genuine and subsisting agreement executed by a bona fide lessee legally and otherwise capable of making the same and all lease payments and proceeds are genuine and free from liens, adverse claims, setoffs, default, prepayment, defenses and conditions precedent, of any kind or character, except as otherwise disclosed to Bank in writing; (e) all Leases comply with all applicable laws concerning form, content and manner of preparation and execution, including where applicable Federal Reserve Regulation Z and any State consumer credit laws; (f) all Inventory is genuine and free of all encumbrances, interests and adverse claims, except those arising under a Lease pledged to Bank and the security interest of Bank; (g) the certificates of ownership relating to any motor vehicles pledged to Bank name Bank as legal owner or, if no certificates of ownership have been issued, application therefor naming Bank as legal owner has been duly and properly made; (h) all Inventory covered by each Lease as been delivered to and accepted by the lessee named therein, as required by said Lease; (i) no rentals or other payments to become due under any Lease have been prepaid; (j) Debtor has caused to be issued with respect to the Inventory covered by each Lease insurance against loss or damage by fire, theft, collision and transportation in amounts not less than the unpaid balance owing on each Lease, with loss payable to Bank; (k) all statements herein are true and correct; (l) no Financing Statement covering any of the Collateral, and naming any secured party other than Bank, is on file in any public office; (m) Debtor has full power, authority and right to execute this Agreement and to perform its obligations hereunder, and (n) there is no litigation pending or threatened against Debtor or any guarantor of Debtor that may impair the ability of any of them to perform their undertakings under this Agreement.

erty of Debtor; (k) the occurrence of an adverse change in the financial condition of Debtor deemed material by Bank; (l) any financial statement by Debtor to Bank proves false; (m) the Collateral is believed by Bank to be in jeopardy or unsatisfactory in character or value; (n) Bank at any time deems itself to be insecure; (o) the death or incapacity of any individual Debtor, or any individual surety or guarantor of Debtor's obligations; (p) the dissolution or liquidation of any Debtor, or any surety or guarantor of Debtor's obligations, which is a corporation, partnership or joint venture; or (q) the occurrence of any sale or transfer of all or a substantial part of Debtor's assets other than in the ordinary course of business.

**9. REMEDIES.** Upon the occurrence of any Event of Default, Bank shall have the right to declare immediately due and payable all or any Indebtedness secured hereby and to terminate any commitments to make loans or otherwise extend credit to Debtor. Bank shall have all other rights, privileges, powers and remedies provided by law, including without limitation the right to contact all persons obligated to Debtor under the Leases and to instruct such persons to deliver all rental and other payments directly to Bank; the rights, privileges, powers and remedies of Bank shall be cumulative; no single or partial exercise of any of them shall preclude the further or other exercise of the same or any of them. No delay or failure of Bank in exercising any right, power, privilege or remedy hereunder shall affect such right, power, privilege or remedy; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such right, power, privilege or remedy. Any waiver, permit, consent or approval of any kind by Bank of any default hereunder, or any such waiver of any provisions or conditions hereof, such must be in writing and shall be effective only to the extent set forth in writing. While Debtor is in default: (a) Debtor will deliver to Bank from time to time, as requested by Bank, current lists of Collateral and proceeds; (b) Debtor will not dispose of any Collateral except on terms approved by Bank; (c) Debtor will assemble and deliver all Collateral and proceeds, and books and records pertaining thereto, to Bank at a reasonably convenient place designated by Bank; and (d) Bank may, without notice to Debtor, enter onto Debtor's premises and take possession of the Collateral. It is agreed that public or private sales, for cash or on credit, to a wholesaler or retailer or investor, or user of Collateral of the types subject to this Agreement, or public auction, are all commercially reasonable since differences in the sales prices generally realized in the different kinds of sales are ordinarily offset by the differences in the costs and credit risks of such sales.

**10. DISPOSITION OF COLLATERAL AND PROCEEDS.** Upon the transfer of all or any part of the Indebtedness, Bank may transfer all or any part of the Collateral and shall be fully discharged thereafter from all liability and responsibility with respect to any of the foregoing so transferred, and the transferee shall be vested with all the rights of Bank hereunder with respect to any of the foregoing so transferred; but with respect to any Collateral not so transferred, Bank shall retain all rights and powers herein given. Any proceeds of any disposition of the Collateral, or any part thereof, may be applied by Bank to the payment of expenses incurred by Bank in connection with the foregoing, including reasonable attorneys' fees, and the balance of such proceeds may be applied by Bank toward the payment of the Indebtedness and in such order of application as Bank may from time to time elect.

**11. COSTS, EXPENSES AND ATTORNEYS' FEES.** All payments, advances, charges, costs and expenses, including reasonable attorneys' fees, made or incurred by Bank in exercising any right, power or remedy conferred by this Agreement or in the enforcement thereof, shall be paid to Bank by Debtor immediately and without demand, together with interest at a rate per annum equal to the greater of ten percent (10%) or the Bank's Prime Rate in effect from time to time. The "Prime Rate" is a base rate that the Bank from time to time establishes and which serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto.

**12. MISCELLANEOUS.** The obligations of Debtor are joint and several; presentment, protest, notice of protest, notice of dishonor and notice of nonpayment are waived with respect to any proceeds to which Bank is entitled hereunder; and right to direct the application of payments or security for Indebtedness of Debtor hereunder, or Indebtedness of lessees of Debtor, and any right to require proceedings against others or to require exhaustion of security are waived, and consent to extensions, forbearances or alterations of the terms of Indebtednesses, the release or substitution of security, and the release of guarantors is given with respect to proceeds subject to this Agreement; provided however, that in each instance, Bank believes in good faith that the action in question is commercially reasonable in that it does not unreasonably increase the risk of nonpayment of the Indebtedness to which the action applies.

**13. OBLIGATIONS OF MARRIED PERSONS.** Any married person who signs this Agreement as Debtor hereby expressly agrees that recourse may be had against his or her separate property for all of his or her Indebtedness to Bank secured by the Collateral under this Agreement.

**14. SEVERABILITY OF PROVISIONS.** Should any provision of this Agreement be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any remaining provisions of this Agreement.

**15. CALIFORNIA LAW APPLICABLE.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Debtor has executed this Agreement as of the 13<sup>th</sup> day of February, 1986

CIS Corporation

(Debtor's name)

By: ALEX A. MANTON

Title: President

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF CALIFORNIA     )  
                                  )     SS.  
COUNTY OF SAN FRANCISCO)

On this 13 day of February, in the year 1986, before me, Cleo De La Montanya, personally appeared Alex A. Najjar, known to me to be the Vice President & General Counsel of the corporation that executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.



*Cleo De La Montanya*

PROMISSORY NOTE



WELLS FARGO

\$ 1,113,798.00

San Francisco, California

February 18, 1986

FOR VALUE RECEIVED, the undersigned CIS Corporation  
("Borrower") promises to pay to the order of WELLS FARGO BANK, N.A. ("Bank") at its office at 343 Sansome Street  
San Francisco, California, or at such other place as the holder hereof  
may designate, in lawful money of the United States of America, the principal sum of One Million One Hundred  
Thirteen Thousand Seven Hundred Ninety-Eight and 0/100

----- Dollars  
(\$ 1,113,798.00), with interest thereon at a per annum (computed on the basis of a 365  
day year, actual days elapsed) One % above the Bank's "Prime Rate" which is a base rate that the Bank from  
time to time establishes and which serves as the basis upon which effective rates of interest are calculated for those loans  
making reference thereto. Each change in the rate of interest hereunder shall become effective on the date each Prime  
Rate change is announced within the Bank.

Interest accrued on this Note shall be payable August 18, 1986

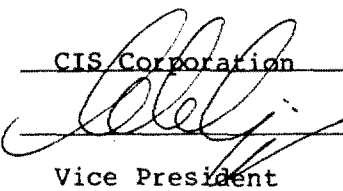
Principal shall be payable in full on maturity

This Note is made pursuant to that certain Credit Agreement between Borrower and Bank dated February 18, 1986,  
1986. Should any Event of Default as defined in said Credit Agreement, as amended from time to time, occur, the holder of  
this Note, at holder's option, may declare all sums of principal and interest outstanding hereunder to be immediately due and  
payable without presentment, demand or notice of dishonor, all of which are expressly waived. Borrower agrees to pay all costs  
and expenses, including reasonable attorneys' fees, incurred by the holder in connection with the enforcement of this Note or  
the protection or preservation of any rights of the holder hereunder.

Should more than one person or entity sign this Note, the obligations of each signer shall be joint and several.

This Note shall be construed in accordance with the laws of the State of California.

\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

CIS Corporation  
  
Vice President  
\_\_\_\_\_

# LEASE SCHEDULE

## SCHEDULE A

### EQUIPMENT DESCRIPTION

Type	Builder	Builder's Specifications	Builder's Plant	Quantity	Lessee Numbers (Both Inclusive)	Estimated Unit Base Price	Estimated Total Base Price	Estimated Time and Place of Delivery
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